

Hardwoods

Increase the cost-competitiveness of Indiana's high quality hardwood products.



Why This Strategy?

Indiana is known around the world for growing, processing, and assembling quality hardwood trees and products. Over 80% of the forests in Indiana are privately owned and 95% of the tree species are hardwoods. However, growing competition from wood product manufacturers in Asia, Latin America, and elsewhere, threaten the viability of Indiana's hardwood industry. It is critical that a focused initiative be developed to not only maintain the competitiveness of Indiana's hardwood sector, but more importantly, create new growth opportunities.

This must be done through technology breakthroughs (i.e., log utilization and production technologies, and improved genetics) and the encouragement of private wood lot owners to utilize forestry management practices that increase the value of the forests to them personally and the quality of the trees to the hardwood industry.

Accomplishments To Date:

- Assembled a Hardwoods Taskforce that includes:
 - Phil Gramelspacher – Jasper Desk Company
 - Bill Hoover, PhD – Purdue University
 - Ray Moistner – Indiana Hardwood Lumberman's Association
 - Allen Pursell – The Nature Conservancy
 - Jack Seifert – Indiana State Forester
 - Rob Swihart, PhD – Purdue University
- The Taskforce met in July and early August to begin a review of the hardwoods strategy. The group discussed the development of programs to promote better forestry management practices, promotion of hardwood products manufactured in Indiana or the use of Indiana hardwoods, and the cost of production for Indiana hardwood manufacturers compared to our competitors. The group also recognized the critical need to improve education and outreach regarding the implementation of good forest management practices and the associated significant economic potential.
- ISDA is collaborating with the Department of Natural Resources (DNR) and the State Forester to develop a strategic plan for private forestland management. ISDA also met with the Indiana Forest and Woodlot Owners Association to assess the availability of information on woodlot management practices and other forms of assistance for loggers, sawmills, and forest consultants.
- ISDA pledged \$50,000 from the Value Added Research Fund for further development of log scanning technology at Purdue University. This technology combines existing MRI scanning applications with new software to better identify quality segments of a log. This can increase the amount of usable boardfeet in a log by as much as 40%.
- ISDA supported the Indiana Economic Development Corporation (IEDC) in their recent efforts to attract Medallion Industries – a cabinet manufacturer – to Culver, Indiana, from Wisconsin. The move is expected to support approximately 300 jobs in the area.

Next Steps:

- ISDA will collaborate with stakeholders to conduct an outreach and awareness campaign regarding the advantages of forest and woodlot management and harvesting. Some specific actions include:
 - Continued close work with DNR and others to develop an education plan that could include: interactive software to help woodlot owners assess the value of their forestland; printed and electronic resources that describe good management practices for owners; and an inventory of industry professionals and consultants, that can provide specialized management and business advice to woodlot owners among others.
 - Work to educate Indiana-based manufacturers on the size and strength of the hardwood sector to ensure they are sourcing wood and lumber from within Indiana.
 - A comprehensive review of current tax credits (both Federal and State) that are available for woodland management to determine how best to promote or modify such incentives.
 - Potential development of a certification program for woodlot managers and timber harvesters to ensure good management practices are used throughout the industry.
- ISDA will work to determine and foster Indiana's competitiveness in hardwoods.
 - ISDA will undertake an assessment of the State's industry versus key international competitors including an evaluation of inputs (i.e., labor, raw materials, and transportation) and other market forces to further focus on competitive opportunities.
 - ISDA will continue to support technology developments in partnership with Purdue University and the State Forester.
 - Additional resources will be allocated from the Value Added Research Fund for the refinement of the log scanning technology and other similar research.
 - ISDA also will support efforts to make new hardwood varieties and superior genetics more broadly available and explain the associated quality benefits. This will be done in partnership with Purdue's Hardwood Tree Improvement and Regeneration Center, DNR and other industry members.
- ISDA will work with its partners at the IEDC and the Indiana Hardwood Lumberman's Association to attract and retain hardwood industry companies.
 - ISDA will coordinate an assessment of business development opportunities within the hardwoods industry and identify companies in the State interested in expanding as well as companies outside Indiana that could locate here.

Bioenergy

Maximize Indiana's competitive advantage in agriculturally derived energy.



Why This Strategy?

Indiana has the opportunity with its grain and oilseed production capacity as well as its strategic geographic position to the East Coast consumer markets to dramatically increase its production of biofuels. Indiana's grain transportation advantage can also support fuel shipments to the Northeast, Mid-Atlantic, and Southeast.

Purdue University is one of the top research institutions in the nation for the development of biofuels and other alternative energy sources. Additional business and research initiatives will be considered to facilitate an attractive investment climate for bioenergy production as well as define future bioenergy opportunities.

Accomplishments To Date:

- Assembled a Bioenergy Taskforce that met in July includes:
 - Nate Kimpel – New Energy Corporation
 - Michael Ladisch, PhD – Purdue University
 - Ray Moistner – Indiana Hardwood Lumberman's Association
 - Michael McCloskey – Fair Oaks Dairy Farm
 - Belinda Puetz – Indiana Soybean Growers Association
 - Charles Smith – Countrymark Cooperative
 - Ron Turco, PhD – Purdue University
 - Don Villwock – Indiana Farm Bureau
- Commissioned a study from Informa Economics to assess the structure of the national biofuels industry and market opportunities in Indiana. It also will assess the impact of national public policy such as ethanol mandates and tax incentives. (Preliminary study available upon request.)
- The legislative initiative known as the Clean Fuels Bill, SB378, sponsored by Senator Tom Weatherwax, was passed by the Indiana General Assembly. The legislation provides \$20 million in tax credits for the expansion of ethanol and biodiesel production. Those credits include \$0.125 per gallon for ethanol (maximum of \$3 million) and \$1.00 per gallon for biodiesel (maximum of \$3 million). The bill also extended existing credits for businesses that are blending biodiesel.
- ISDA and the State Energy Group petitioned the U.S. Department of Energy to redirect funds that are allocated annually to Indiana to now be used specifically for alternative fuel usage and infrastructure development. This has allowed funding to be allocated to four new E-85 stations across the State with several more being planned.
- ISDA has dedicated funds for continued research and development at Purdue University in biofuels and related products.
- ISDA is working with Purdue University to study the feasibility of an "agricultural park" – a pre-zoned area of land dedicated to agribusiness. The study will include an economic model to determine how materials from one agricultural process can best be used as raw materials for another process.

- ISDA worked closely with the Indiana Economic Development Corporation (IEDC) to attract two new ethanol production companies. Putnam Ethanol (Putnam County) will produce 60 million gallons of ethanol from 21.4 million bushels of corn. Cargill/Demeter Enterprises (Montgomery County) will produce 100 million gallons of ethanol from 37.5 million bushels of corn. Plants already under construction are Central Indiana Ethanol (Grant County) that will produce 40 million gallons of ethanol from 15 million bushels of corn and Iroquois Bio Energy (Jasper County) that will produce 40 million gallons of ethanol from 15 million bushels of corn.
- In close partnership with the State Energy Group, key Congressional offices, and the U.S. Department of Agriculture's Indiana Rural Development office, ISDA promoted the submission of four USDA 9006 Alternate Energy Grant program applications. The USDA grants are used to promote alternative energy projects in rural areas.
- Other accomplishments:
 - The Governor's RV-1 and the Lt. Governor's Tahoe both use biorenewable fuels.
 - The required use of ethanol and/or biodiesel in all state vehicles

Next Steps:

- ISDA will develop and finalize a plan that promotes the use of biorenewable energy throughout Indiana to meet the consumption goals in the Strategic Plan. This will include a significant education and communication components through electronic, print, and mass media outlets, an assessment of what drives consumer behavior in their choices of biofuels and efforts to certify a significant number of fuel stations with E85 and biodiesel available at their pumps.
- Successfully meet ISDA's goals of attracting two biodiesel projects in the State and continue efforts to attract other ethanol opportunities.
- Work to promote research, development, and the commercialization of new technologies at the universities around the State. ISDA also will finalize a plan to research the potential use of bioenergy for defense purposes.
- Improve the coordination with the Indiana Congressional delegation on national energy policies related to renewables (e.g., the Federal Energy Bill and the 2007 Farm Bill).
- Create a showcase, pilot community that runs from biorenewable resources to demonstrate the broader benefits of these fuels beyond agriculture.



Regulatory Coordination

We will ensure that agricultural regulatory standards are science-based and do not impede economic development.

Why This Strategy?

ISDA must work closely with the state's regulatory agencies to ensure science-based standards are considered in agricultural matters. Indiana's pork, dairy, and poultry industries are increasingly pressured by emerging environmental concerns. ISDA, the Indiana Department of Environmental Management (IDEM), and other agencies must support these industries by improving implementation of existing regulations and supporting development of new technologies to control animal waste and odor. At the same time, this coordination must protect Indiana's natural resources and enhance the working relationships between farmers and the citizens of their communities.

Accomplishments To Date:

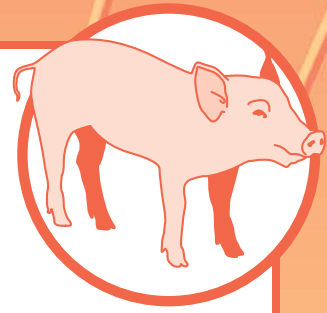
- Creation of the Agricultural Regulatory Council by Lt. Governor Becky Skillman. The organization recognizes that various government agencies regulate and influence Indiana agriculture in many areas. The Council will improve agency communication and enhance the State's role of assisting and building the agricultural industry. The first meeting will convene in August. Chaired by the Lt. Governor, the following agencies are members:
 - Indiana Department of Environmental Management
 - Purdue University, College of Agriculture
 - Office of the Indiana State Chemist
 - Department of Natural Resources
 - Indiana State Department of Agriculture
 - Plant and Pest Diagnostic Lab
 - Animal Disease Diagnostic Lab
 - Board of Animal Health
- ISDA recognizes the importance of maintaining a good community relationship between agriculture and its suburban and urban neighbors. ISDA will convene the Confined Feeding Operation (CFO) Task Force in September to re-examine ways that animal agriculture can continue to be a vital economic driver for Indiana. The CFO Task Force members include:
 - Indiana Pork Producers Association
 - Indiana State Poultry Association
 - Indiana Beef Cattle Association
 - Indiana Professional Dairy Producers
 - Indiana Horse Council, Inc.
 - Indiana Sheep Association
 - Indiana Corn Growers Association
 - Indiana Soybean Growers Association
 - Indiana Sierra Club
 - Hoosier Environmental Council
 - Indiana Farm Bureau
- ISDA recognizes the need to help local agribusiness leaders promote and enhance agricultural economic development in their local communities. ISDA in coordination with an expert consulting team will establish County and Regional Teams to work individually with local leadership to better prepare Indiana communities for future opportunities in agricultural economic development and help identify their own priorities in agriculture. A Taskforce (listed below) will advise and help promote this.

- This effort will be piloted in Southwest Indiana – Region 11, as defined by Indiana Department of Workforce Development and the Indiana Economic Development Corporation. The region includes nine counties: Dubois, Gibson, Knox, Perry, Pike, Posey, Spencer, Vanderburgh, and Warrick. This structure will be expanded to the remaining regions of the State over the next year. When complete, counties will have a set of resources from which to draw when confronted with a problem or presented with an opportunity.
- The consulting group includes ISDA; Purdue University Cooperative Extension; Thomas P. Miller, Associates; Cause Matters Consulting; and Ginovus.
- The Statewide County/Regional Team Advisory Task Force includes:
 - Association of Indiana Counties
 - BioCrossroads
 - Hoosier Energy
 - Indiana Agribusiness Council
 - Indiana Agricultural Leadership Institute, Inc.
 - Indiana Association of Cities and Towns
 - Indiana Association of Community & Economic Development
 - Indiana Association of Regional Councils
 - Indiana Community Action Association
 - Indiana Cooperative Development Center
 - Indiana Department of Environmental Management
 - Indiana Department of Transportation
 - Indiana Department of Workforce Development
 - Indiana Development Finance Authority
 - Indiana Division of Natural Resources
 - Indiana Economic Development Association
 - Indiana Economic Development Corporation
 - Indiana Farm Bureau
 - Indiana Livestock Alliance
 - Indiana Office of Rural Affairs
 - Indiana Planning Association
 - Indiana Rural Community Assistance Program
 - Indiana Rural Development Council
 - Indiana Rural Water Alliance
 - Indiana Statewide Association of Rural Electric Co-ops
 - Purdue University, College of Agriculture
 - Service Corps of Retired Executives
 - Small Business Development Centers
 - Indiana Association of Soil and Water Conservation Districts
 - USDA Natural Resources and Conservation Service
 - USDA Rural Development

Next Steps:

- ISDA, in partnership with other State regulatory agencies, will develop and manage a “one-stop regulatory shop” for agriculture in the form of a web-based ombudsman. This will assist producers and other industry businesses to work through the myriad of State-based agricultural regulations. Preliminary services will begin with a simple reporting form housed on the ISDA website, where producers will be able to ask questions, make suggestions, or share personal experiences.
- Complete County Strategic Team consulting for 92 counties in Indiana within the next two years.

Pork



Double hog production by adopting breakthrough technologies in environmental and animal welfare management.

Why This Strategy?

Indiana has the land base, grain and oilseed production, and research capabilities in animal science, health, and nutrition needed to double hog production. The demand for pork and pork products in both domestic and international markets continues to increase. In addition to this, Indiana's pork industry has both the capacity to process additional animals and the ability to transport finished products to end markets.

Accomplishments To Date:

- Assembled a Pork Taskforce that includes:
 - Mike Boehlje, PhD – Purdue University
 - Gary Callaway – Jackson-Jennings Cooperative
 - Malcolm DeKryger – Belstra Milling
 - Terry Fleck – Indiana Pork Producers Association
 - Marilyn Holschuh, PhD – Free Range Thinkers
 - Chris Hurt, PhD – Purdue University
 - Phil Kimmel – Farm Credit Services
 - Ed Nelson – Indiana Packers Corporation
 - Don Orr, PhD – United Feeds, Inc.
 - Larry Rueff, DVM – Swine Veterinary Services
 - Mike Veenhuizen, PhD – Livestock Engineering Solutions, Inc.
 - Brian Wise – Signature Farms
- The Taskforce met in July to begin the coordination of current industry information and put together a full evaluation of the Indiana pork sector.
- Commissioned a study to interview over 50 producers, service providers, and other stakeholders about the State's growth plan, barriers to that growth, and to solicit general opinions. (Preliminary information available upon request)
- Commissioned a study from Informa Economics to assess the forces driving pork production in the United States and also in Indiana. This includes a review of demand strength, alternative sources of supply, as well as the outlook for future growth. It also will identify Indiana's specific strengths and weaknesses to compete in this market, based on our available resources, competing uses for those resources, and the overall business and economic climate. (Preliminary information available upon request)
- ISDA staff attended and provided testimony at local zoning and other county meetings to express the economic importance of expanded agricultural production – especially of pork and other livestock operations.

- Completed an inventory of major national pork processors in order to gain a better perspective on the industry. Also conducted several meetings with major pork processors to determine their growth and expansion plans.
- Assembled an Odor Reduction Taskforce that includes:
 - Mike Beard – Indiana Pork Producers/Hog Farmer
 - Mike Baise – Farm Bureau
 - Terry Fleck – Indiana Pork Producers
 - Steve Humke – Ice Miller (representing venture community)
 - Don Jones, PhD – Purdue University
 - Danita Rodibaugh – National Pork Board
 - Al Sutton, PhD – Purdue University
 - Mike Veenhuizen, PhD – Livestock Engineering Solutions, Inc.
- Task force met in late July and established two key long-term goals:
 - Position Indiana as the leader in researching, identifying, and commercializing new technologies, which will reduce external odor issues in confined feeding operations.
 - Develop vehicles to showcase technologies, their performance, and feasibility to the industry and general population.
- ISDA has earmarked \$250,000 from the Value Added Research Fund to conduct research and development in this area.
- ISDA staff traveled to North Carolina State University in May to meet with researchers on new waste handling and treatment technologies such as anaerobic digestion and gasification.

Next Steps:

- ISDA will use the Value Added Research Fund to pilot two to three projects using breakthrough technologies to reduce and/or virtually eliminate odor and waste issues. We will also continue to research the latest technologies in these areas.
- Advance legislation in order to qualify producers for economic incentives currently afforded to business owners who invest and create jobs. This will include a full review of Indiana Economic Development Corporation programs for changes required to support livestock production investments.
- Review the Informa Economics commissioned report on the market forces and business/regulatory climate affecting the pork industry to determine appropriate next steps for responsible growth.
- Develop an Indiana Food and Agricultural Venture Fund to provide non-debt capital in support of new agricultural businesses and those looking to expand. Livestock operations of all types and sizes would be eligible for this support.
- The Odor Reduction Taskforce's immediate goal is to complete a summary, which outlines the key drivers for odor reduction, summarizes technology and research done to date in Indiana and around the US and forecasts the areas of best opportunity for future innovation and commercialization. Once the above analysis is complete, the task force will identify three to four technologies or practices that will become the central focus of the state's efforts to reduce odor.

Diversity of Production

Lead the nation in identifying diversification strategies that enhance the economic viability of producers of different sizes and areas of production.



Why This Strategy?

Times in agriculture are changing. The sector will continue to evolve, particularly as forces including trade, farm policy, infrastructure demands, conservation and the environment, rural communities, and nutrition continue to dominate our agenda. Indiana's highly diverse farms must each in their own way apply unique business tools and technologies to enhance their full economic potential. In order to comprehend and identify the group of producers who can most likely benefit from this strategy, we must first better understand the landscape of Indiana agriculture.

It is possible to "classify" farms based on size and sales class with existing data, but these may not be the only or best ways to view Indiana agriculture. We will identify the "Faces of Farming" to better understand the various types, sizes, and economic structures of agriculture in Indiana. This process will be key to evaluating and distinguishing large and small farms, full-time, part-time, hobby farms, and other setups. This analysis will support the development of diversification platforms that will demonstrate opportunities for enhanced revenue, continuance of full-time farming, and growth potential.

Accomplishments To Date:

- Determined the structure of the Diversification Taskforce should consist of two groups (Team One and Team Two) to assist in further shaping this strategy. Team One will define the "faces" of Indiana agriculture through a rigorous, fact-based analytical process. Team Two will use Team One's data and analysis for platform development and the creation of appropriate action plans.
- The Team One members of the Diversification Taskforce include:
 - Corinne Alexander, PhD – Purdue University
 - Deb Conley – Indiana Cooperative Development Center
 - Mike Jackson – Agri Business Group, Inc.
 - Maria Marshall, PhD – Purdue University
 - Chad Martin – Indiana Cooperative Development Center
 - John Nidlinger – U.S. Department of Agriculture, Farm Service Agency
 - Daniel Oh – Agri Business Group, Inc.
 - Lisa Peterson – Agri Business Group, Inc.
 - Julia Wickard – Indiana Beef Cattle Association
- Team One had organizational meetings in June and July. The group further defined what is meant by "diversification," agreed upon a framework for data collection and emphasized the importance of platform development and of providing business model options.
- Team One also discussed their role in the collection and assessment of available data and details pertaining to an interview process of farmers for the collection of new information.

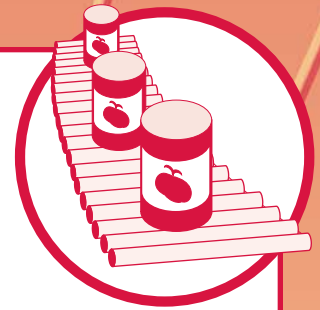
- Current activities of Team One include:
 - Gathering and evaluating existing resources and data on the current structure of Indiana agriculture.
 - Initiating a new data collection program that will assist in researching the “Faces of Farming” and identifying primary diversification opportunities. Doing so will allow for a more pointed understanding of Indiana’s agricultural climate and the most applicable methods for successful diversification.
- ISDA supported and participated in the National Value Added Agricultural Conference held in Indianapolis in June. The conference was co-chaired by the Indiana Cooperative Development Center and the Purdue University Extension New Ventures Team. Presentations and interactive group discussions focused on agricultural entrepreneurs and successful value-added ventures.

Next Steps:

- Team One of the Diversification Taskforce will work to complete the following:
 - Create framework for grouping potential diversification strategies. Team One will evaluate and choose a logical way to organize existing and newly collected data into appropriate diversity classes, such as size (acres), cropping complexity, scalability, sustainability, processor location or the amount of capital needed, among others.
 - Identify firms in each diversity area. Once each class is identified, businesses/operations would be identified that fit within each. The objective of the qualitative interviews will be to gather best practices, benchmarks, and insight into the diversity area and to help determine if the area is scalable and profitable.
 - Demand exploration for each diversity area. It is important to also investigate the demand for each diversification area. Team One will gather publicly-available data and trending for each of the diversification opportunities as a part of this step.
 - Create business models and identify critical success factors. A series of diversification business models and related critical success factors will be built upon comprehensive analysis of the diversity segments, best practices and benchmarks of successful operations, and demand/trend information. These will be instrumental to Team Two’s work in building action steps and tools for Indiana producers looking for new business opportunities.
- Assemble Team Two of the Diversification Taskforce to utilize Team One’s data and develop platforms and action steps for creating success opportunities for producers wanting additional economic potential.

Food Processing

Indiana will incubate innovative food products and processing technologies that use Indiana agricultural commodities to support nutritious and healthy diets.



Why This Strategy?

Indiana's abundance of raw agricultural commodities and expertise in food manufacturing ideally position it for new investments in food processing. Consumer demand for healthy and nutritious foods is growing in response to emerging health issues like the obesity epidemic. Indiana has tremendous research and development capacity for more nutritious and healthy foods, particularly at Purdue University. The ability to commercialize these new foods will be critical.

Accomplishments to Date:

- Assembled Healthy Food and Food Processing Taskforce including:
 - Judy Baker – Indiana Soybean Board
 - Kelly Braverman – Clarian Health
 - Bruce Hamaker, PhD – Purdue University
 - Steve Humke – Ice Miller (representing venture community)
 - Judy Monroe, MD – Indiana Department of Health
 - Suzanne Nielsen, PhD – Purdue University
- Reviewed new food and food processing technology platforms currently under consideration around the state, particularly in key research institutions, to determine where Indiana's leadership and strengths lie. The output of this report will be used to help determine the two to three areas for the task force to focus its collective effort. (Summary available upon request)
- Earmarked \$500,000 from ISDA's Value Added Research Fund to help establish the first Indiana Food and Agriculture Venture Fund. This fund will advance food and agricultural businesses in Indiana, particularly new companies or those looking to redefine or expand their operations.
- Helped establish a new statewide hunger program, Feeding Indiana's Hunger (FIH), which will connect agricultural producers and processors with Indiana's food banks. Doing this will help the food banks utilize excess commodities and products to provide a healthy and nutritious diet to those hungry in the State.

Next Steps:

- Develop an economic feasibility study to identify which food and/or food technology platforms should become the focus for this taskforce. Study to include:
 - An analysis of the key drivers of consumer purchase behavior as it relates to healthy food products including the most significant areas of consumer need and the barriers to achieving high levels of consumer acceptance of new food products.
 - A historical retrospective on the major healthy food initiatives including no cholesterol (1980s), low fat (1990s), organic/natural (early 2000s), and low carb (current). This would include an analysis of what drove initial strong consumer demand as well as the ultimate decline in repeat purchases.

- A consumer-purchase model to use in the evaluation of new food products which will provide a tool to insure that the advancement of new foods or technologies will consistently be grounded in potential consumer acceptance.
- A literature review of the leading medical research showing the impact of diet and nutrition on key health conditions (e.g., obesity and Type II diabetes).
- A literature review of the leading innovation and technology platforms currently under investigation to advance new healthy foods and/or new processing technologies. This will focus largely on work in Indiana but also explore other global research.
- The identification of two to three platforms that will become the State's focus for healthy food innovation. Each platform will use Indiana agricultural products as the foundation and clearly show potential to meet consumer demand.
- A preliminary plan for commercializing each innovation or technology including an estimated time for research and development, a potential business plan/model for commercializing, and the funds necessary.
- Assemble a steering committee to include ISDA staff and representatives from the venture community and the food and agricultural business sector to oversee the development of an Agricultural and Food Venture fund including:
 - The identification of basic goals, investment strategies, and a clear definition of what types of initiatives and businesses would qualify for the fund;
 - Outlining a preliminary legal structure and connection to ISDA including any legislative requirements; and
 - Assembling a group of potential lead investors who could populate the fund.

Federal Farm and Trade Policy

Establish a State leadership role in formulating U.S. agricultural and trade policy to promote sustainable economic competitiveness.



Why this Strategy?

Indiana agriculture is directly affected by federal farm and trade policies. The farm programs that are legislated by the Farm Bill provide significant support to producers. And, international trade and agricultural exports also are critically important to the economic well being of the sector. Debate on the next Farm Bill is beginning and several key trade negotiations are underway. ISDA, along with stakeholder groups, should support key Federal and Indiana Congressional officials in advocating policies and programs that are best suited to our agricultural structure and our rural and farm economies.

Accomplishments To Date:

- Assembled a Farm Bill Taskforce that includes:
 - Phil Anderson – Indiana Rural Development Council
 - Jane Avery – Second Harvest
 - John Baugh – Purdue University
 - Bob Burke – Walnut Council and Indiana Tree Farm Committee
 - Otto Doering, PhD – Purdue University
 - David Hardin – Indiana Pork Producers
 - Cress Hizer – Indiana Agribusiness Association
 - Debbie Hohlt – Washington Office of Governor Mitch Daniels
 - Jerry Nickel – Midwest Ag Finance
 - Chris Novak – Indiana Soybean Association and Corn Growers
 - Josh Pitcock – Office of Representative Mike Pence
 - Lane Ralph – Office of Senator Richard Lugar
 - Gene Schmidt – Board Member, National Association of Conservation Districts
 - Don Villwock – Indiana Farm Bureau
 - Aaron Whitesel – Office of Senator Richard Lugar
- The Taskforce met in July to develop a work plan and timetable for crafting a set of Indiana-specific Farm Bill proposals.
- ISDA is facilitating, with the U.S. Department of Agriculture, a Farm Bill Forum (listening session) on August 18 at the State Fair to be hosted by Deputy Secretary Chuck Conner. The primary topics addressed at the forum will reflect various concerns affecting rural America such as commodity, conservation, and rural economic development issues, among others.
- Development of educational materials regarding the Farm Bill structure and process for use at various outreach events to be posted on the ISDA website.
- ISDA officials have made two visits in recent months to Washington, D.C. for discussions on the Farm Bill and other federal funding opportunities with Senator Lugar, Congressman Pence and staff from the Indiana delegation.

- ISDA participates in the Governor's Federal Grants Coordinating Council and monitors daily federal grant and funding opportunities to maximize the benefits returned to Indiana.
- ISDA officials participated in Governor Daniels' trade mission to Taiwan and Japan. ISDA held over 20 meetings with potential buyers, trade associations and policy officials to re-establish business relationships and highlight the strengths of Indiana agriculture.
- Completed an initial assessment of trade opportunities for Indiana food and agricultural products

Next Steps:

- The Farm Bill Taskforce will meet regularly over the next several months – collaborating with many industry leaders and soliciting input from across the State – to develop a white paper with recommendations for key titles of the 2007 Farm Bill by December 15. Written recommendation will be submitted to the USDA by December 31.
- Members of the Farm Bill Taskforce, ISDA staff and other industry representatives will travel to Washington, D.C. for visits with Congressional members and staff in order to participate in key hearings.
- ISDA will work with both House and Senate Agriculture Committee hearings to host a Farm Bill field hearing.
- ISDA will continue to make contacts with relevant Federal agencies such as the U.S. Environmental Protection Agency; U.S. Department of Energy; U.S. Department of Health and Human Services, etc. to better understand programs and funding availability.
- ISDA will hold initial meetings with key Congressional appropriations members and staff to discuss annual budget cycles and process as well as Indiana funding needs.
- Assemble a Trade Taskforce to develop a comprehensive Indiana strategy for food and agriculture export promotion and investment. This is necessary to accomplish the following:
 - Reestablish relationships with key U.S. Department of Agriculture attachés, country-specific agricultural ministries, and agribusinesses that are critical to success in opening global markets.
 - Establish a specific marketing plan for the countries, which represent the best opportunity for the state.
 - Initiate an in country "sales effort." For each of the top countries, ISDA will implement an aggressive outreach program to insure that Indiana's agricultural products and companies are adequately represented. This will likely include both Indiana agriculture missions to these countries as well as hosting buying missions here in the state.
- Develop education and outreach materials on the importance of trade to Indiana agriculture.

Indiana Grain Buyers and Warehouse Licensing Agency

Mission: The mission of the Indiana Grain Buyers and Warehouse Licensing Agency is to support Indiana agriculture by ensuring the financial integrity of the grain marketing infrastructure, while allowing the industry to be competitive, innovative, and efficient.

Background:

The agency has continuously regulated grain warehousing since 1975. Warehouse regulation is intended to ensure that warehousemen maintain the quantity and quality of grain stored for farmers and other depositors. This applies to warehouse receipt, open storage, and grain bank obligations.

The buying of grain from farmers was initially regulated in 1975, and then deregulated in 1982. The farmer-funded Indiana Grain Indemnity Program was established in 1993 to reimburse farmers for losses incurred when a grain elevator is unable to pay and the warehouse bond is insufficient to provide full recovery. Following establishment of the indemnity program, a new grain buying regulatory program was enacted in 1995.

Indiana's current grain regulatory and indemnity programs set the national standard for efficiency and effectiveness.

The director of the agency also:

- Serves as the Chairman of the Board of Directors of the Indiana Grain Indemnity Corporation.
- Coordinates the department's homeland security and biosecurity activities.

Accomplishments To Date:

- Reviewed existing structure and processes related to traditional regulatory functions, including both office and field activities to determine where either the focus or the procedures warrant updating.
- Worked with the Indiana Grain Indemnity Corporation Board and the State Treasurer to update this Corporation's investment policy to significantly enhance future potential returns on the fund balance.
- Reshaped and redefined agriculture's role in Indiana's security structure to improve the focus and coordination of agricultural resources. Championed agriculture's needs by participating in a number of table-top exercises and simulations focusing on preparedness for incidents related to food or agriculture.

Next Steps:

- Continue to update field and office processes to ensure that maximum resources are focused where they will have the greatest impact, based upon the completed review of existing regulatory processes.
 - Enhance utilization of information technology capabilities, converting to paperless processes wherever possible.

- Recruit and train additional staff to prepare for impending retirement of senior office and field staff.
- Incorporate homeland security issues into field process as appropriate.
- Pursue opportunities to position Indiana agriculture to take advantage of emerging market trends. While most agricultural production continues to be marketed as a commodity, there are accelerating trends towards differentiated products. The agency will seek to support Indiana's growth in these segments by:
 - Pursuing partnerships with USDA, Purdue University, Indiana Crop Improvement Association, and other organizations to assist Indiana producers and agribusinesses in obtaining certifications related to identity preserved products, process quality, or other emerging quality programs.
 - Sponsoring or participating in value-added programs such as the National Workshop on Storage of Organic Grains and End Products and the National Value-Added Conference.
- Partner with other state agencies to enable existing field staff to perform additional regulatory functions or deliver additional state services. Frequently, employees from multiple state agencies call on Indiana businesses to ensure compliance with a variety of state programs. Where-ever possible, the agency will seek to create partnerships with other areas of state government to more efficiently monitor compliance with multiple state requirements.
- Continue to expand and refine the ISDA's homeland security role. With the recent creation of the ISDA and the Indiana Department of Homeland Security, security roles and relationships will continue to evolve.
- The agency will take a leadership role to ensure that:
 - Agricultural issues receive emphasis and resources commensurate with our contribution to the State's economy.
 - Agriculture is not subjected to requirements that would undermine the competitiveness of our producers, our agribusinesses, or our products.

Division of Soil Conservation

Mission:

To elevate the importance of statewide soil and water stewardship with a focus on local implementation of conservation practices on urban and rural lands.

Background:

The Division of Soil Conservation (DSC), formerly a part of the Department of Natural Resources (DNR), was transitioned to ISDA to ensure that agriculture would have a vehicle to carry out ever increasingly important conservation initiatives.

The 2002 Federal Farm Bill established unprecedented levels of funding for conservation programs on rural working lands. Although the discussions surrounding the next Farm Bill are just beginning, early indications are that conservation funding will remain at high levels. With such increased Federal awareness of conservation, it was evident that the Indiana State Department of Agriculture would need a strong conservation presence to ensure future economic sustainability in the agriculture sector. By joining ISDA, the Division of Soil Conservation will be elevated to a higher level of stewardship potential necessary for an energized statewide conservation delivery system.

Accomplishments To Date:

- The successful transition of DSC from DNR to ISDA. The move was a tremendous undertaking and involved the transition of over 65 employees, numerous assets, and key soil and water conservation programs.
- The legislative initiative known as Clean Water Indiana passed the Indiana General Assembly. Its successful passage was due to sponsorship from Representative Bill Friend and support from a number of key partners, including DNR, the Soil and Water Conservation Districts (SWCDs), environmental and natural resource organizations, agricultural commodity associations and others.
- Clean Water Indiana provided necessary funding to put Indiana's first Conservation Reserve Enhancement Program (CREP) in place with the U.S. Department of Agriculture (USDA). The agreement was signed in July by Lt. Governor Becky Skillman and Deputy Secretary Chuck Conner and represents a true Federal/State partnership in conservation.
- Coordinated and sponsored professional facilitation of a new Indiana Conservation Partnership Strategic Plan. The Partnership includes ISDA, Division of Soil Conservation, the USDA Natural Resources and Conservation Service, the Indiana Association of Soil and Water Conservation Districts, Purdue Extension, and the State Soil Conservation Board. The key focus areas for the future highlighted by the full Partnership include:
 - **Technology:** Utilize the latest technology available to deliver and measure conservation.
 - **Funding:** Establish a dedicated source of funding with potential for growth based on need, accountability and performance.
 - **Leadership Development:** Elevate the significance of conservation in Indiana to attract and retain strong leadership.
 - **Accountability:** Utilize an integrated accountability system that tracks resource driven results.

- **Outreach:** Provide a consistent and positive message describing the economic, environmental and quality of life benefits of conservation.
- **Delivery System:** Establish an effective, consistent, and flexible delivery system that addresses local resource needs.
- Completed a first draft of a new strategic plan for DSC. As a separate exercise from the Partnership Strategic Plan, it is incumbent upon DSC and ISDA to develop a new vision and plan for conservation initiatives in Indiana. The strategies DSC and ISDA intend to pursue are listed below – additional information on this Plan is available upon request.
 - Focus on local control and implementation of conservation practices.
 - Cultivate local enthusiasm and an implementation structure to support Federal Farm Bill programs; build on efficiencies and matching financial support.
 - DSC will commit to a statewide partnership that eliminates agency confusion and monitors accountability of all partners.
 - Establish state specific initiatives such as a State funded stewardship program and other incentive based programs that encourage resource stewardship.
 - Surface new funding possibilities and work towards increased dedicated funding for Clean Water Indiana.

Next Steps:

- Complete the full staffing and structural transition of DSC into ISDA to ensure efficient delivery of programs.
- Finalize DSC's Strategic Plan that builds on ISDA's Possibilities Unbound: The Plan for 2025 plan for Indiana Agriculture as well as the Conservation Partnership's Plan.
- Work to grow Clean Water Indiana funding for district partners to provide specific resources for conservation program delivery.
- Coordinate with ISDA and the County and Regional Strategic Team process to include SWCDs as a key partner. This also will include efforts to educate local officials of the significant potential economic impact of Federal Farm Bill conservation programs.